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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Division of Information

April 1940

THE 1940 SUGAR BEET PROGRAM

The 1940 Sugar Beet Program became effective January 1, 1940, following restoration of the sugar quota system which was suspended shortly after outbreak of the European War. The 1940 program is similar to previous programs authorized under the Sugar Act of 1937.

Conditions For Payment

Growers who wish to receive payments must not employ child labor, must pay fair and reasonable wages to farm labor, prevent erosion and improve soil fertility, and must comply with acreage allotments. For growers who are also processors, payment of fair and reasonable prices for beets bought from other growers is also a condition for payment.

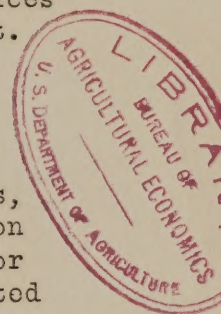
Acreage

There are no limitations on sugar beet acreage in 1940, all restrictions having been lifted on March 9, because drought, floods, and other unfavorable factors are expected to prevent the production of excessive supplies of beet sugar. The beet acreage allotment for any farm for the 1940 crop will be the acreage of sugar beets planted on the farm for the production of sugar.

Processor Marketing Allotments

The beet processor sugar marketing allotments, which were announced March 26, represent the share of the 1940 beet quota of 1,549,898 short tons, raw value, which each of the domestic processors may market in continental United States in 1940. The processors agreed to their respective allotments at a public hearing in Denver on February 19.

Besides the sugar which the domestic beet sugar industry may market under the area's quota, it will be carrying a reserve supply of sugar equal, roughly, to about 18 percent of the quota. The carrying of reserve stocks of sugar is in accord with the Sugar Act, as well as with the Department's policy of maintaining an ever-normal granary for various commodities. Growers and processors, as well as consumers, are protected by an ever-normal granary in sugar. Since the sugar quota system has been in effect there have been years when the beet area, despite the fact that there had been no restrictions on acreage and production, has been unable to fill the quota allotted to it, with the result that the deficit had to be reallocated to other areas which had sugar available to meet consumer needs.



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Wages and Child Labor

The wages for field labor established under the program have been announced: those for California, where the season begins earlier, on January 18, and those for the rest of the beet area on April 4.

Growers who wish conditional payments may not hire, or permit to work, children under 14, and may not work children between 14 and 16 more than 8 hours a day. The immediate families of legal owners of not less than 40 percent of the crop at the time the work is performed are exempt from this ruling.

Payments to Beet Growers and Sugar Tax Collections

Beet growers complying with the conditions of the sugar program receive payments of 60 cents per 100 pounds of commercially recoverable sugar on their allotments. Moreover, under the average purchase agreement the effect of the tax and payment feature is to increase the grower's income over what it might be by approximately \$1 per ton of sugar beets, and to reduce the processor's income by about 75 cents a ton. These payments are 20 percent higher than the sugar tax rate of 50 cents a hundred. Beet growers have received more than all the taxes collected on beet sugar under the present Act. The figures for 1937 and 1938 are:

<u>Crop</u> <u>Year</u>	Beet Sugar <u>Taxed</u> (Tons raw value)	Amount of Tax <u>Collected</u>	Payments to Beet <u>Growers</u>
1937	1,378,000	\$13,780,000	\$17,130,000
1938	1,803,000	18,030,000	22,106,000

These payments include those made to growers as crop insurance for damage caused by drought, floods, insects, disease, freeze, or storm.

Income of Beet Growers

Growers averaged \$5.31 per ton of beets on the crops produced in 1932 and 1933, which preceded the sugar quota system, while on the only two crops produced and marketed under the present Act for which figures are available, those of 1937 and 1938, they averaged \$6.86 per ton, or almost 30 percent more. Growers have received virtual parity for their beets in the years sugar programs have been in effect.

During the six-year period preceding the sugar quota system an average of 77 beet sugar factories were operating in the United States, while during the quota period the average number was about 82.

